

BILL # HB 2030

TITLE: pipeline safety, penalties

SPONSOR: Nelson

STATUS: As Introduced

REQUESTED BY: House

PREPARED BY: John Malloy

FISCAL ANALYSIS

Description

HB 2030 would increase current civil penalties pertaining to gas and hazardous liquid pipeline facilities to a maximum of \$100,000 (from \$10,000) for a single violation and to a maximum of \$1 million (from \$500,000) for any related series of violations. Increasing civil penalties would enable current statute to conform to federal law.

The bill would also redirect all monies collected as a result of civil penalties or fines from the General Fund to the Pipeline Safety Revolving Fund (an appropriated fund). The FY 2004 Public Finance Omnibus Reconciliation Bill (ORB) redirected civil penalties and fines from the Pipeline Safety Fund to the General Fund.

Estimated Impact

JLBC Staff estimates that the General Fund would lose approximately \$60,000 in annual revenues and the Pipeline Safety Revolving Fund would gain a like amount. Due to provisions in the bill that would increase pipeline safety penalties, the foregone General Fund revenue loss would be greater than \$60,000.

Analysis

The FY 2004 Public Finance ORB redirected civil penalties and fines to the General Fund. Prior to that legislation, all penalties pertaining to gas and hazardous liquid pipeline facilities were deposited in the Pipeline Safety Revolving Fund. The following chart shows the amount of civil penalties collected by the state related to pipeline safety violations.

Fines/Penalties Related to Pipeline Safety				
<u>FY 1999</u>	<u>FY 2000</u>	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>
\$100,000	\$0	\$85,000	\$40,000	\$80,000

Monies in the Pipeline Safety Revolving Fund are utilized to meet expenses related to pipeline facilities safety including pipeline safety, education, training, the purchasing of equipment, inspecting for leaks and other hazards, reviewing pipeline plans, installation and operation and any other activity of the Commission. The appropriation of monies from this fund is subject to legislative approval.

Local Government Impact

There is no impact to local governments as a result of HB 2030.